

# EAST BAY

Retail Q2 2024



**\$132,100**

Median HH Income

YoY Chg



12-Mo. Forecast



**0.1%**

Population Growth



**4.8%**

Unemployment Rate



## U.S. ECONOMIC INDICATORS Q2 2024

**2.9%**

GDP Growth

YoY Chg



12-Mo. Forecast



**3.4%**

CPI Growth



**6.9%**

Consumer Spending Growth



**3.1%**

Retail Sales Growth



Source: BLS, BOC, Moody's Analytics, Costar, RCA  
Q2 2024 data are based on latest available data.  
Growth rates are year-over-year.

## ECONOMY: Unemployment Rate Increases

The East Bay, encompassing Alameda and Contra Costa counties, ended the second quarter with an unemployment rate of 4.8%, an increase of 100 basis points (bps) from the same period in 2023. Despite this increase, the median household income climbed 3.6% year-over-year (YOY), reaching \$132,100. Additionally, the population experienced modest growth of 0.1% over the same period.

## SUPPLY & DEMAND: Vacancy Rate Rises

The East Bay retail market closed the second quarter with a 7.5% vacancy rate, an increase of 50 bps quarter-over-quarter (QOQ) and an 80-bps increase YOY. The vacancy rate in Alameda County was 6.6%, up from the 5.9% figure recorded last quarter and a year ago. Contra Costa County recorded a higher retail vacancy rate at 8.5%, up from 8.3% last quarter and from 7.7% rate one year ago. By submarket, the South 80 Corridor continued to record the lowest vacancy rate in the East Bay at 2.0%, while the other submarkets had more than 5.0% vacancy rates, ranging from 5.7% in the 580 Corridor to 12.0% in Oakland.

Almost all submarkets in the East Bay experienced negative net absorption in the second quarter, except Highway 4. As a result, the total net absorption was recorded at -266,800 square feet (sf), with the 880 Corridor contributing the most occupancy loss at -134,100 sf, followed by the 680 Corridor at -58,900 sf and Oakland at -49,800 sf. The only positive net absorption was in the Highway 4 submarket at 30,300 sf.

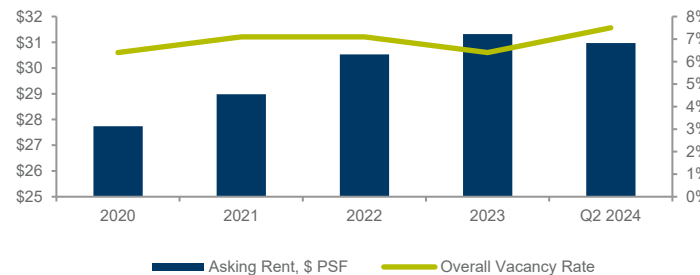
With no new completions in the last three quarters, the total retail inventory stayed at 52.0 million square feet (msf) with 3.9 msf of vacant retail space. Additionally, the only retail project under construction is Plaza Gale Ranch Phase IV (125,000 sf) in San Ramon.

Retail investment sales rebounded in the second quarter. Real Capital Analytics reported that 376,900 square feet (sf) of retail space across eight retail properties changed ownership, with total investment sales reaching \$86.3 million or \$214 psf. The largest transaction was the sale of Hilltop Plaza, a 248,500-sf retail center, in San Pablo from Madison International to Primestor Development for approximately \$36.5 million. Current tenants in the center include Ross Dress for Less, City Sports Club and dd's Discounts.

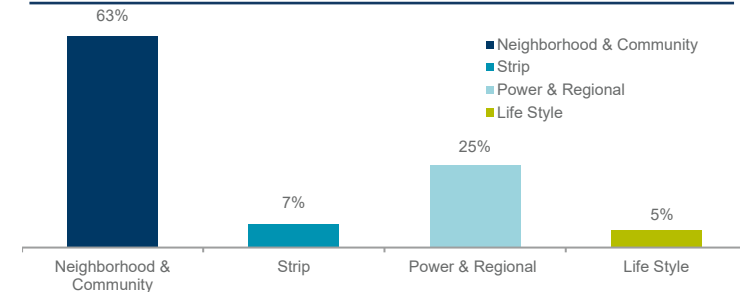
## PRICING: Average Asking Rents Drops

After peaking at \$32.84 per square foot (psf) in the first quarter, the average asking rent in the East Bay retail market dropped 5.7% QOQ and closed the second quarter at \$30.97 psf on an annual triple net basis. Nevertheless, this figure represents a slight increase of 1.0% compared to the \$30.67 psf rate one year ago.

### RENT / VACANCY RATE



### AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Highway 4	8,848,050	29,605	770,665	9.0%	30,283	-92,623	0	\$27.25
680 Corridor	11,507,122	5,828	882,550	7.7%	-58,930	-54,278	125,000	\$34.14
North 80 Corridor	4,173,849	85,852	319,725	9.7%	-39,771	-148,019	0	\$27.99
<b>CONTRA COSTA COUNTY TOTALS</b>	<b>24,529,021</b>	<b>121,285</b>	<b>1,972,940</b>	<b>8.5%</b>	<b>-68,418</b>	<b>-294,920</b>	<b>125,000</b>	<b>\$30.57</b>
South 80 Corridor	1,593,816	5,481	27,192	2.0%	-3,930	-3,575	0	\$36.00
Oakland	2,268,727	0	272,935	12.0%	-49,773	-33,720	0	\$28.43
880 Corridor	15,812,559	48,560	1,012,653	6.7%	-134,066	-170,391	0	\$29.38
580 Corridor	7,807,177	2,280	441,152	5.7%	-10,591	-58,258	0	\$38.59
<b>ALAMEDA COUNTY TOTALS</b>	<b>27,482,279</b>	<b>56,321</b>	<b>1,753,932</b>	<b>6.6%</b>	<b>-198,360</b>	<b>-265,944</b>	<b>0</b>	<b>\$31.31</b>
<b>EAST BAY TOTALS</b>	<b>52,011,300</b>	<b>177,606</b>	<b>3,726,872</b>	<b>7.5%</b>	<b>-266,778</b>	<b>-560,864</b>	<b>125,000</b>	<b>\$30.97</b>

\*Rental rates reflect NNN asking

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
5491 Lone Tree Way (Lone Tree Plaza)	Brentwood	Sportsman's Warehouse	28,200	Renewal
2475 Sand Creek Road (The Streets of Brentwood)	Brentwood	Barnes & Noble	26,000	New Lease
5453 Thornton Avenue (Home Depot Center)	Newark	Chaves Supermarket	23,200	New Lease
3500-4200 Klose Way (Hilltop Plaza)	Richmond	Dollar Tree	23,000	New Lease
1316-1588 Railroad Avenue (Miller's Outpost Shopping Center)	Livermore	Dollar Tree	21,000	New Lease

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
3401 Blume Road (Hilltop Plaza)	San Pablo	Madison International / Primestor Development	248,500	\$36.5M / \$147
10650 San Pablo Avenue (CVS)	El Cerrito	CVS / Autozone	33,300	\$6.1M / \$184
2717 N Main Street	Walnut Creek	Price-Simms Management Inc. / Flether Jones Imports	27,700	\$14.0M / \$506
19203 Center Street	Castro Valley	Jang Edward & Louise Fam Trust / SBW Ventures LLC	19,200	\$5.5M / \$286
41989 Fremont Boulevard (99 Cent Store)	Fremont	99 Cents Only / Hamant K. Sharda	16,900	\$7.5M / \$286

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
N/A	N/A	N/A	N/A	N/A

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